

HECB Legislative Issues: 2003 Session Report

Reflects actions by Legislature and Governor during regular and special sessions

Issue	HECB Perspective	Legislative Action
Biennial operating budget, 2003-05	In October 2002, the HECB recommended a \$1.1 billion increase for higher education enrollment, core funding and financial aid.	The Governor and Legislature completed action on the 2003-05 state operating budget (SB 5404) in June. The budget uses revenue from expected tuition increases to offset most of the \$131 million base funding reduction for higher education. Cuts of about \$24 million would not be recovered from tuition.
High-demand enrollments	HECB requested funds for competitive high-demand pool of 1,000 new FTE enrollments in 2004-05. Two- and four-year institutions would be eligible, as would public-private partnerships.	The HECB will administer a competitive high-demand pool of 500 FTE for the four-year universities. The public universities may apply for funding, and proposals may include partnerships with private colleges. The budget also includes a separate high-demand enrollment pool for 2-year colleges only, administered by the SBCTC.
Transfer-related enrollments		The operating budget authorizes the Office of Financial Management to distribute 400 FTE enrollments to the four-year schools to accommodate transfer students. The new enrollments are funded for both years of the biennium.
Financial aid funding	HECB recommended increased funding to keep pace with tuition increases and new enrollments and to raise State Need Grant income cutoff to 65% of median family income.	The budget (1) increases Need Grant funding to keep pace with expected tuition hikes and to serve students up to 55% of median family income; (2) increases funding for Washington Scholars and Washington Award for Vocational Excellence to restore full value of tuition-based awards and reflect students' increased use of scholarships; (3) leaves Promise Scholarship funding unchanged; and (4) reduces the HECB financial aid administrative budget by \$145,000. A House proposal to reduce the amount of grants to students at private colleges and universities was not included in the compromise budget.

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Tuition-setting authority	HECB supports granting four-year institution boards and SBCTC unrestricted tuition-setting authority for all students, including resident undergraduates.	<p>The budget continues state-imposed tuition ceilings for resident undergraduates, with increases capped at 7% per year. Four-year universities and the SBCTC will set rates for other groups of students.</p> <p>Governor Locke signed SB 5448 to continue state tuition-setting for resident undergraduates but grant the colleges flexibility to set rates for other groups of students. The bill extends this arrangement for the next six years.</p>
Resident tuition rates for undocumented students	HECB supports concept of making certain undocumented students eligible for resident tuition rates.	<p>The Governor signed legislation to change residency requirements for tuition purposes. Effective July 1, HB 1079 grants residency to undocumented students who are not legal residents, but who have lived in Washington for at least 3 years and meet other criteria. The Governor vetoed a section that would have granted resident status only to students from families who entered the country legally or had amnesty from U.S. immigration law.</p>
Higher education tuition surcharges		<p>The Governor signed SB 5135 to direct universities to develop strategies to discourage students from earning excessive credits without graduating.</p>
HECB higher education master plan process	Work began in mid-2002 on the 2004 master plan for higher education.	<p>The Governor signed HB 2076 to revise the master plan. The HECB is to develop a statewide ‘strategic’ master plan, and public colleges will develop plans that reflect state goals and strategies. A draft of the 2004 plan is due in December 2003, and the final version in June 2004. A legislative work group will provide policy direction for the strategic plan and recommendations on the future role and responsibilities of the HECB.</p>
College and university performance contracts		<p>The Governor signed HB 2111 to form a legislative and higher education work group to study the feasibility of developing performance contracts between the state and its public colleges and universities. The work group’s report is due by December 15, 2003.</p>

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Educational Opportunity Grant and Promise Scholarship	HECB requested legislation to update and revise the EOG program.	The Governor signed SB 5676 to update and revise the EOG program. The bill enables students in all 39 counties to receive the grant and to attend all accredited colleges and universities, including UW and WSU branches. The new law also makes GED recipients up to age 21 eligible for the Promise Scholarship if they achieve high college entrance test scores.
Grant program for dependent care	HECB currently administers a dependent care allowance through State Need Grant.	Governor Locke signed HB 1277 to create a privately funded HECB program to give grants of at least \$1,000 per year to Need Grant-eligible students who care for children. The program will commence after \$500,000 is contributed.
Electrical engineering degree-granting authority	State law requires the HECB to approve new four-year college degree programs.	The Governor signed HB 1808 to permit Eastern Washington University and other regional universities to seek HECB approval to offer electrical engineering degree programs. EWU plans to make a degree proposal to the HECB by the end of 2003.
Transfer issues		The Governor signed HB 1909 to create a pilot project to develop competency-based transfer degrees. The pilot project will involve both two-year and four-year institutions. Participating schools will be selected by the HECB.
Master plan for P-16 education		A legislative resolution, SCR 8401 , to establish a legislative work group to consider developing a comprehensive master plan for pre-school, K-12, and higher education did not pass during the regular or special session.
Financial aid fund management	HECB supports making maximum use of financial aid funds for their intended purposes.	Legislation to establish a new financial aid account, in which unspent funds would have been retained for the following year, failed. The House passed HB 1123 unanimously, but the bill did not receive a hearing in the Senate.